Texas Department of Insurance
Division of Workers' Compensation
Medical Fee Dispute Resolution, MS-48
7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645
512-804-4000 telephone • 512-804-4811 fax • www.tdi.texas.gov

MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name and Address

TEXAS MIDWEST SURGERY CENTER
751 NORTH 18TH STREET
ABILENE TX 79601

Respondent Name
UNITED STATES FIRE INSURANCE CO

Carrier's Austin Representative Box
Box Number 53

MFDR Tracking Number
M4-11-3610-01

MFDR Date Received
JUNE 20, 2011

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "We are disputing the allowance for CPT codes 63650. The ASC mandated fee schedule for this code is $4305.00 each…The claim was marked 'no separate reimbursement for implants requested' therefore should be paid @ 235% of Medicare. These are device intensive procedures."

Amount in Dispute: $3,031.38

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "Pursuant to the MFG, multiple surgical procedures performed in an ASC at the same session are subject to the multiple procedure reduction. The highest value procedure is paid at 100% MFG, the remaining procedures are paid at 50% MFG. In this case, the same procedure was performed twice; therefore it was paid once at 100% MFG, then 50% MFG."

On July 1, 2011 an additional payment of $878.88 was made on this claim based upon "An additional allowance is being recommended based on fee guidelines and the multiple procedure rule.

Response Submitted by: Hoffman Kelley

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
February 4, 2011	ASC Services for CPT Code 63650-SG and 63650-SG-59	$3,031.38	$2,097.54

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving a medical fee dispute.
2. 28 Texas Administrative Code §134.402, titled *Ambulatory Surgical Center Fee Guideline*, effective August 31, 2008, sets out the reimbursement guidelines for ambulatory surgical care services.
3. The services in dispute were reduced/denied by the respondent with the following reason codes:

Explanation of benefits

- F-Fee guideline MAR reduction.
- O-Denial after reconsideration 2789.31.
- W3-Additional payment made on appeal/reconsideration.

Issues

1. Is the requestor entitled to additional reimbursement for CPT Code 63650-SG and 63650-SG-59?

Findings

1. CPT code 63650 is described as "Percutaneous implantation of neurostimulator electrode array, epidural"

Per ADDENDUM AA, CPT code 63650 is a device intensive procedure and is exempt from the multiple procedure rule discounting.

To determine the MAR for procedure code 63650 is a six step process:

Step 1 gather factors:

Addendum B hospital outpatient prospective payment amount for code 63650 CY 2011 is $4,553.02.

The device dependent APC offset percentage found in the Addendum B for National Hospital OPPS for code 63650 for CY 2011 is 58%.

The Medicare fully implemented ASC reimbursement for code 63650 CY 2011 is $3,707.45.

The CMS City Wage Index for Abilene, Texas is $0.8003.

Step 2 determine the device portion:

$4,553.02 multiplied by 58% = $2,640.75.

Step 3 determine the geographically adjusted Medicare ASC reimbursement for code 63650:

The Medicare fully implemented ASC reimbursement rate of $3,707.45 is divided by 2 = $1,853.72

This number multiplied by the City Wage Index is $1,853.72 X 0.8003 = $1,483.53.

Add these two together $1,853.72 + $1,483.53 = $3,337.25.

Step 4 determine the service portion:

Subtract the device portion from the geographically adjusted Medicare ASC reimbursement

$3,337.25 minus $2,640.75 = $696.50.

Step 5 multiply the service portion by the DWC payment adjustment factor of 235%

$696.50 multiplied by 235% = $1,636.77

Step 6 add the service and device portion together to determine MAR.

$2,640.75 add $1,636.77 = $4,277.52

Code 63650 is not subject to multiple procedure discounting; therefore, the MAR is $4,277.52.

The requestor billed for 2 units; therefore, $4,277.52 X 2 = $8,555.04. The insurance carrier paid $5,578.62 plus additional payment of $878.88 = $6,457.50. The difference between amount due and paid is $2,097.54. As a result, additional reimbursement can be recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is $2,097.54.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of $2,097.54 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

Authorized Signature

		04/26/2013
Signature	Medical Fee Dispute Resolution Officer	Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute may appeal this decision by requesting a contested case hearing. A completed **Request for a Medical Contested Case Hearing** (form **DWC045A**) must be received by the DWC Chief Clerk of Proceedings within **twenty** days of your receipt of this decision. A request for hearing should be sent to: Chief Clerk of Proceedings, Texas Department of Insurance, Division of Workers Compensation, P.O. Box 17787, Austin, Texas, 78744. The party seeking review of the MDR decision shall deliver a copy of the request for a hearing to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §148.3(c), including a **certificate of service demonstrating that the request has been sent to the other party**.

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.